

EXTENSIONS OF REMARKS

Improving the Outlook for Small Business

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, August 9, 1960

Mr. WILEY. Mr. President, in the weeks ahead, we will be hearing a great deal about what the major political parties—both Democratic and Republican—propose to do for the American people.

Naturally, it is important that Government—guided by its administering officials—do what is necessary to keep the wheels of progress moving forward.

At the same time, however, it is important that we vigilantly maintain a climate of maximum freedom in which the people have opportunity to do all that they can for themselves.

We recognize, of course, that maintaining a strong economy is an important part of our job. The strengthening of our job-creating, free-enterprise system, is fundamental to our economy. Today, there are more than 4.6 million businesses in the country. About 95 percent of these are small businesses.

Recently, I was privileged to discuss over Wisconsin radio stations the opportunity for further improving the small business outlook.

At this time, I ask unanimous consent to have excerpts of my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

The Nation—to combat communism, spur progress, and promote peace—must assure a strong economy. A few of the necessary steps include: Maintaining a sound, noninflationary, money policy—neither too tight nor too loose; plugging loopholes in the tax system; finding new ways to help job-creating business—particularly small ones—to progress; brightening the trade outlook, including efforts to expand exports; and—at the same time—to protect the domestic economy from the adverse impact of imports; encourage greater cooperation between the consumer, business, labor, and government—not only to combat inflation but to promote maximum progress.

FREE ENTERPRISE UNDERGIRDS ECONOMY

We recognize, of course, that our job-creating, free-enterprise system is the foundation of our economy. Throughout the country, there are about 4.6 million firms in business. This is an alltime record; 95 percent of these are small enterprises.

In addition to turning out our "arsenal of defense," these businesses and industries provide our people with the jobs, and goods and services necessary for better living, and for economic progress.

Currently, our output of goods and services—termed the gross national product—has reached an alltime high of over \$500 billion. In addition, the gross national income has zoomed to more than \$400 billion annually.

Unfortunately, it is difficult to relate these gigantic figures to the economic problems in

the daily lives of each of us. However, the steady upward climb of national wealth does reflect meaningfully that the economy as a whole is going forward promisingly.

The fundamental task is to provide a climate of opportunity—for each of us—to reap a proportionate share of the Nation's wealth. This is true for farmers, professionals, businessmen, and folks in all other walks of life.

ROLE OF SMALL BUSINESS IN ECONOMY

On the main streets of America, small business—including more than 110,000 in Wisconsin—in the villages, towns, and cities, are the wellsprings of our economic life. However, further efforts are needed to improve the outlook. Although there are many ways it may be done, any major program, I believe, should include:

1. Providing an opportunity for greater participation in Federal defense and defense procurement programs.

2. Establishment of local development companies to provide financing funds for small businesses—in areas where other adequate financing sources are not available.

3. Efforts by States—as well as small businesses, themselves, to cooperate in providing managerial and technical assistance to small business for resolving problems, improving efficiency, and other tasks that may be too expensive for the small business budget.

4. Further improving the patent system for protection of ideas and systems.

5. Expansion of research providing management aids through voluntary groups and—as necessary—through State and Federal assistance programs.

6. Encouraging labor—management peace, or conversely, preventing strife to minimize costs of labor-management difficulties. Fundamentally, their interests are mutual—not conflicting.

DEVELOPMENT OF SMALL BUSINESS "POOLS"

The development of small business "pools" also is helping to meet some problems that could not otherwise be resolved, such as:

Collect market and research information related to a particular industry for dissemination to participating members;

Construct, acquire, or establish laboratories and other facilities for the conduct of research;

Prosecute applications for patents and render patent services for participating members; as well as

Negotiate and grant licenses under patents held under joint programs.

TAX OUTLOOK

Taxes for individuals as well as business of course, are always a serious matter.

What is the outlook?

As things look now, the great pressures on Uncle Sam's pocketbook—particularly for defense, as well as domestic programs, threaten to increase, rather than diminish.

Consequently, the outlook for immediate, across-the-board tax cuts is dim. However, this would be a good time, I believe, to undertake what has long been needed—and that is, a top-to-bottom overhaul of the tax system.

For this purpose, I have introduced legislation to establish a Hoover-type tax commission. The purpose would be to plug loopholes, iron out inequities, eliminate unintended hardships or benefits, capture revenue that now may be escaping taxation; and make adjustments in the tax structure to reflect the changing needs of the economy, the technological revolution, shifts in the pattern of consumer and national requirements—and other purposes.

In a free enterprise system, it is absolutely essential that tax laws be formulated

to encourage—not limit—economic growth and expansion. In addition, there is a need for simplifying tax reporting—particularly for businesses as well as individuals.

Despite the fact that taxes have been at a substantially high rate, ranging up to 91 percent, however, the economy has progressed in the last 8 years; for example, the gross national product, as I mentioned, has increased 35 percent.

EXPANDING FOREIGN TRADE

There are, of course, opportunities for improving the outlook for job-creating business and industry through expanding trade.

Traditionally, the U.S. market has been the major target for the products of our factories as well as farms. With further improvement of our mass production techniques—for stepping up production—however, we need to look for new horizons. Currently, for example, studies are under way by the Department of Commerce to see what new opportunity exists in the export field. As of now, only a minor portion of firms in Wisconsin—and the United States—have engaged in foreign commerce.

Around the world, however, there are many potential markets. The less-developed countries of Latin America, Africa, and Asia, particularly, offer real prospects for new business opportunity. In effect, they need everything.

How can we take advantage of the emerging opportunities?

First, we need to broaden our horizons; to attempt to find new markets.

Second, expand U.S. and Wisconsin participation in international trade fairs, offering opportunity to locate customers.

Third, utilize services of Department of Commerce—as well as cooperate with other business—to locate and attempt to supply new markets.

PROBLEMS IN EXPORTING

We recognize, of course, that there are difficulties. These include:

Financing the necessary market research.

Competing with goods produced at lower wages and operating costs from other countries.

Acquiring the financing as well as developing the know-how for entering and profiting by participation in foreign trade.

Difficulty of converting foreign currency—earnings or principal—into U.S. dollars.

Problems of complying with national laws as well as local ordinances affecting distribution of goods in other countries; and

Running the risks of expropriation or even confiscation of property in unstable countries where such investments are necessary for market outlets.

Currently, the United States is negotiating with other countries to attempt to resolve a number of these problems. This would mean not only greater health for business and industry, but more jobs for the workers in America.

IMPACT OF IMPORTS

We recognize that trade is a two-way street. Unfortunately, a number of Wisconsin and U.S. firms are now suffering from the impact of imports. We cannot ignore this situation. Instead, a realistic effort must be made to protect U.S. industries—and their workers—from being too hard hit by imports—often produced by lower wage levels and operating expenses.

Recently, I joined in cosponsoring legislation to establish a special committee to study the impact of imports on domestic industries. The purpose would be—by a clear and objective study and survey by competent

persons—to determine the necessary steps to provide protection for domestic industries. Also the committee would see what could be done by enterprising exploration and official negotiations to improve the opportunity for new markets in other countries.

After the recess, I believe that Congress should take speedy action to set up this committee. In the interests of the overall economy, we cannot too long endure losses by domestic firms—which affects not only firms but our workers and the overall economy.

CONCLUSION

This, then, is a brief review of a few of the problems involved in further strengthening our economy.

Again, I want to stress that, as one sector advances, the whole economy is benefited; conversely, as any segment suffers, so does the whole economy—not only in terms of loss of business and industrial activity, but in jobs for the workers of the country.

Needed: New Study To Expand Trade and Commerce Through St. Lawrence Seaway

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Mr. WILEY. Mr. President, the St. Lawrence Seaway—completed in 1959—offers new, untested opportunity for expanded trade and commerce. The challenge now is to take full advantage of the great potential.

As a sponsor of the original Seaway law, Public Law 358, of the 83d Congress, I am particularly concerned with assuring that (a) the Seaway fulfills its full potential in terms of market opportunity for Wisconsin, and the great agricultural-industrial complex of the upper Midwest; and (b) that it pays off the costs of operation and construction—a \$140 million investment by the American people.

A comprehensive review, and exploitation of, the potential is absolutely essential—if the Seaway is to fulfill these objectives.

Recently, I contacted the Secretary of Commerce to urge that a comprehensive study be undertaken by the Department of Commerce aiming toward improving and expanding trade and commerce through the St. Lawrence Seaway. I ask unanimous consent to have the text of my letter to Secretary Mueller urging such a study printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MY DEAR MR. SECRETARY: I am writing to respectfully urge that a comprehensive study be undertaken by the Department of Commerce, aimed toward improving and expanding trade and commerce through the St. Lawrence Seaway.

As you well appreciate, the Seaway, completed in 1959, offers new commercial opportunities for the agricultural-industrial complex of the upper Midwest—the greatest in the world and the whole Nation.

The challenge, now, is to take full advantage of these new opportunities.

We recognize, of course, that the search for markets, rerouting of trade, changing of trade patterns—these, and other complex innovations—cannot be done overnight.

However, I believe that a comprehensive study—covering the whole scope of possibilities for expanding trade, commerce, and tourist traffic, through the Seaway, would help tremendously in benefiting the economy, providing new opportunities for the farms and factories of America to transport their products to new markets; strengthen and improve trade relations with other countries; assure that tolls from the operation of the Seaway—as provided by law—will support the costs of operation, as well as pay off the debt of construction.

Naturally, you are in the best position to determine the scope of such a study. In my humble opinion, however, I believe that any such survey should cover such fields as: A review of potential markets for U.S.-produced products, transportable through the Seaway; providing information on the Seaway to foreign and domestic shippers; encouraging a greater flow of tourists, to, and through, the Seaway; explore for new ways and means to increase interest in utilizing the Seaway by shippers and producers, as well as consumers abroad and elsewhere in the United States.

As we recall, the Grace Line recently received permission from the Maritime Board to withdraw its vessels from the Great Lakes-Caribbean service route. Generally, I believe this marks a setback for Seaway traffic—at a time when it should be expanding in an uninterrupted way.

In carrying out such a study, it would appear that the services of the St. Lawrence Seaway Development Corporation, itself, as well as your own Department—could make invaluable contributions to providing data and information—and perhaps new trade policy recommendations—to assure maximum utilization of the potential of the St. Lawrence Seaway.

I sincerely hope, therefore, that you will find it possible to initiate such a study in the near future.

Sincerely,

ALEXANDER WILEY.

SENATE

WEDNESDAY, AUGUST 10, 1960

(Legislative day of Tuesday, August 9, 1960)

The Senate met in executive session at 9:30 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

Rev. Gordon Powell, M.A., B.D., minister, St. Stephen's Presbyterian Church, Sydney, Australia, offered the following prayer:

So long Thy power hath blessed us, sure it still will lead us on, O God.

Remembering that our decisions this day could affect the lives of millions of people right round the world, we turn to Thee for wisdom to know what is right, courage to do it, and perseverance to continue to the end.

Take from our souls the strain and stress, and let our ordered lives confess the beauty of Thy peace.

Help us to pray more and worry less, to remember that worry paralyzes thinking and consumes our resources. Set us free from fear that distorts the truth, warps the judgment, and weakens the will.

In a moment of silent prayer we would pause to realize Thy presence, and hand over to Thee our burdens of spirit, mind, and body—all anxiety and sorrow, all sin and guilt and fear, all tension. We relax in the Lord, we let go and let God.

We thank Thee for Thy peace, O God; for this inner spiritual peace and for freedom from war.

We thank Thee, our Father, for the small nations which in days of war were preserved by the strength and sacrifice of the United States, and we thank Thee for all the nations which have been given hope and courage through the difficult years.

May this great Nation ever be the champion of the weak and the oppressed, holding aloft the beacon of liberty and faith, ever finding true greatness not in the selfish use of power and possessions, but in the dedication of its power and possessions to the building of a better world for all.

When days are dark, steady us with the faith that the Lord reigneth. This is Thy universe and Thou art working Thy purpose out. May Thy kingdom come because of us and not in spite of us.

So, O God, we thank Thee for the opportunity to serve Thee in this place.

We believe Thou wilt grant the grace that is sufficient for our every need; through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 9, 1960, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS—MESSAGE FROM THE PRESIDENT

THE VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

I am transmitting herewith the 12th semiannual report on activities carried